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NEWS RELEASE

July 3, 2007

Seller of Fake Stock Options Admits Fraud, Consents to Order

Bushman took money from investors to exercise non-existent stock options from Intel, Sun ...

SALT LAKE CITY, Utah – Harold Earl Bushman, of Orem, consented to the entry of an order by the Utah Division of Securities finding that he sold securities that were not registered, that he sold securities without being licensed, and that he lied to investors. Bushman admitted the violations, agreed to cease and desist from any further violations, has paid restitution of \$14,300 to the victims, and will pay a fine.

On May 17, 2007, the Division accused Bushman of taking \$18,375 from three investors in 2006, saying the money would be used to exercise stock options from Sun Microsystems and Intel Corporation. Bushman claimed he had worked for these companies and would use the investor funds to buy the stock at a cheap price, using his stock options, and resell the stock at current high prices. The profits would be given to the investors.

Bushman had approached two neighbors and fellow members of his church congregation, saying he formerly worked for Sun and Intel and that he had stock options he could exercise at a low price and resell at a high price. Bushman said he would handle everything: exercising the options, selling the stock, then paying the profit to the investors. One couple gave Bushman \$5,500 for Intel options. Bushman also took an additional \$5,175 from the couple, saying the money would be used to purchase semi-conductors at a steep discount and resell them for a large profit.

In August, the couple became suspicious and demanded a refund of their investment. Bushman promised to pay all funds owed soon. It was during this time that Bushman raised \$7,700 from a third investor, saying the money would be used to exercise stock options from Sun Microsystems. The third investor made three separate investments. In each instance, most of the money from the third investor was used to make payments to the couple that had demanded refunds. The first couple received a full refund.

Bushman admitted that he failed to tell the investors that he owed over \$120,000 in unpaid court judgments, that he had taken money from other investors and never repaid them, and that he never worked for Intel or Sun. Because Bushman paid the entire \$14,300 in restitution, the Division waived payment of half of the \$5,000 fine assessed against him.

Investors are urged to contact the Division to make sure anyone offering investments is licensed. 801.530.6600, or toll free at 1.800.721.7233. www.securities.utah.gov.